

Historic Residences & Businesses Rehabilitation Tax Credits

GEORGETOWN - SILVER PLUME NATIONAL HISTORIC LANDMARK DISTRICT

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REHABILITATION A DEFINITION

Rehabilitation is defined as the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those features of the property which are significant to its historic, architectural and cultural values.

**Secretary of Interior's Standards
for Historic Preservation**

REHABILITATION FEDERAL & STATE TAX CREDITS

Qualifying properties:

Tax credits are only available for qualifying properties. A qualifying property means a structure which has been listed as "contributing" to the Georgetown Silver Plume National Historic Landmark District. Contributing structures within the town were identified and placed on the Colorado Historic Inventory through a survey of historic structures completed in 1995. The inventory includes residential and commercial structures. Inventory information is available at the Georgetown Town Hall and the John Tomay Library. The Design Review Commission may consider changes in inventory status when appropriate.

Qualifying work:

Interior and exterior work qualifies for tax credit. An entire project, interior and exterior, must be considered in the determination of any credit and existing conditions must be documented. Work may include any exterior improvements, structural improvements, mechanical, plumbing and electrical improvements undertaken to restore, rehabilitate or preserve the historic character of a qualified property. All work must follow the Secretary of Interior's Standards for Rehabilitation. Normal maintenance and new additions do not qualify. Differences exist between state and federal work.

COLORADO REHABILITATION TAX CREDITS

Eligibility:

Colorado rehabilitation tax credits are available to any residential or commercial owner of a

qualifying property. This differs from federal regulations which do not include owner occupied residential properties.

Money:

The qualifying costs must be \$5,000 and up to receive credit. A tax credit of 20% of qualifying cost is available up to a limit of \$50,000. The credits may be taken over ten year., However, a refund schedule exists if the property is sold within the years the tax credit is taken. The entire project, exterior and interior, qualifying and non-qualifying components, must be reviewed and approved prior to the granting of tax credits on any portion of the project. State tax credits may be used concurrently with federal tax credits on structures that qualify for federal credit.

Work:

Qualified costs include demolition, foundations, carpentry, sheetrock, plaster, painting, ceiling, fixtures, doors, windows, mechanical, electrical, plumbing systems, roofing, flashing, cleaning and cleanup. The costs do not include fees of any sort, acquisition, excavation (including excavating foundations), landscaping, maintenance or new additions. The project must meet all ten of Secretary of Interior's Standards for Rehabilitation to assure that the historic character of the property will be preserved.

Process:

Approval for Colorado Rehabilitation Tax credits may be granted locally by the Georgetown Design Review Commission or at the state level by the Office of Archaeology and Historic Preservation. (OAHP). Uniform application forms, designed and distributed by the OAHP, are available at the Georgetown Town Hall or from the OAHP at the Colorado Historical Society in Denver. The application fee of \$250.00 is established through the tax credit statute CRS 39-22-514. Following the review of the entire project, the reviewing agency determines property qualification and qualifying costs and work may begin. No tax credits may be taken until work is completed. All work is to be completed with 24 months with a possible one time extension. A final approval is granted on review of completed work and a "verification of the qualified nature of historic preservation expenditures" is given to the taxpayer for submittal with their state tax return.

Further information:

Information on the Colorado process is available in the Colorado Department of Revenue publication: Tax Credit or online at www.revenue.state.co. The OAHP is located at the Colorado Historical Society, 1300 Broadway Denver CO 80203 and can be reached on line at: www.history.state.co.us

FEDERAL REHABILITATION TAX CREDITS

Eligibility:

The federal credit is available for qualifying properties rehabilitated for commercial, industrial, agricultural or rental residential purposes. Unlike the Colorado credit, it is not available for properties used exclusively as the owner's private residence. The definition of "qualifying property" is the same as the state definition. However, the qualification must be certified by the State Historic Preservation Office.

Money:

Rehabilitation expenses must exceed \$5,000 to qualify for the 20% tax credit. The federal tax credit has no cap amount and the credit may extend over twenty years if necessary. A refund is required if the structure is sold within a five year period following the rehabilitation work. The credit may be used concurrently with the state credit.

Work:

Qualified expenditures include most costs defined under the Colorado qualifying work. In addition the federal credit may include the cost of architectural fees, legal expenses, development fees and other construction-related costs. New additions, furnishings and routine maintenance do not apply.

The entire project must comply with the Secretary of Interior's Standards for Rehabilitation to preserve the historic nature of the building.

Process:

Federal tax credits must be approved by the National Park Service. Application must be made through the Colorado Office of Archaeology and Historic Preservation. The three step process requires certification of the qualification of the property, the payment of a preliminary application fee of \$250.00 and qualification of the work. Applications should be submitted early in the planning process and work should not begin until the project is approved in writing by the National Park Service. The overall fee schedule is graduated according to the cost of the rehabilitation.

Further information:

Further information on the federal process is available from the Office of Archaeology and Historic Preservation, Colorado Historical Society, 1300 Broadway, Denver CO 80203 or on line at: www.history.state.co.us